

HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN
HOWARD COUNTY RETIREMENT PLAN

JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES

June 1, 2017

A joint meeting of the Retirement Plan Committees for the Howard County Police and Fire Employees' Retirement Plan (the "Police and Fire Plan") and the Howard County Retirement Plan (the "Employees Plan") (jointly, the "Plans") was held on Thursday, June 1, 2017 at 9:00 a.m. in the Columbia/Ellicott City Room at the George Howard Building, 3430 Court House Drive, Ellicott City, Maryland 21043.

Police and Fire Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer: Lonnie Robbins
Director of Finance: Stanley Milesky
Budget Administrator: Holly Sun
Representative, Fire and Rescue Supervisory Employees:
Vincent Baker (Voting Member in Fiscal Year 2017)
Representative, Howard County Police Officers' Association, Lodge 21:
Mark Thomey
Representative, International Association of Firefighters, Local 2000:
Richard Ruehl

Members Absent

Representative, Police Department Supervisory Employees:
Jason Luckenbaugh (Non-Voting Member in Fiscal Year 2017)

Employees Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer's Designee: John Peterson
Deputy Director of Finance: Rafiu Ighile
Budget Administrator: Holly Sun
Employee Representative: Jeff Bronow
Representative, American Federation of State, County and
Municipal Employees Local 3080: Kim Drennon
Representative, American Federation of State, County and Municipal
Employees Local 3085: Dale R. Chase

Members Absent

None

Also present for all or a portion of the meeting were:

Steve Peters, County Auditor's Office
Sima Taghavi, Department of Finance
Eric Ralph of Summit Strategies Group
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.
Teresa M. Reider, Retirement Coordinator
Scott Southern, Retirement Assistant, Office of Human Resources
Nike Yahaya, Retirement Aide, Office of Human Resources
Janssen Evelyn, Office of Law
Todd Snyder – Howard County Pension Oversight Commission

Wanda Hutchinson acted as Chair of the Meeting and Paul Madden acted as Secretary. The minutes of the April 27, 2017 joint Committee meeting were approved.

Holly Sun confirmed that the fiscal year 2018 budget includes the recommended contribution for the Police and Fire Plan, which was 32.5% of base pay. With respect to the Employees Plan, the actuary recommended a contribution of 11.7% of base pay. A contribution of 12.4% of base pay is included in the budget. This is the contribution made for fiscal year 2017.

Next, Dale Chase reported on the NCPERS conference that he recently attended. Dale noted that the conference includes education on alternatives, the Canadian model with in-house funds management and many discussions on active vs. passive investment. Dale indicated that Howard County's governance and investment procedures are impressive as compared with its many peers.

Next, Rafiu Ighile reported on an Institutional Investor Conference which he attended. Rafiu noted that the conference focused on alternative investments.

Next, Jeff Bronow addressed the duty to avoid an imposition of a substantial burden to the County as set forth in the Code of Conduct for members of the Retirement Plan Committee. Paul pointed out that this provision is identical to the provision in the CFA Code of Conduct and reflects members' duty to ensure that the Plans are sustainable.

Stan Milesky requested that a discussion of proxy voting be placed on an upcoming Committee meeting agenda.

The Committees discussed a letter from Todd Snyder, a member of the Howard County Pension Oversight Commission ("POC"), requesting additional information about

the Plans. It was not clear to the Committees whether Mr. Snyder's information request was being made by the POC or by Mr. Snyder. Paul Madden noted that confidentiality provisions in the agreements between the Howard County Master Trust and the alternative investment managers prohibit the Committees from disclosing the information requested regarding alternative investments. The Committees were not clear with respect to items in the letter whether Mr. Snyder was requesting that the Plans create documents and schedules addressing the information requested. The Retirement Coordinator and Committee members expressed concerns that a response would be time-consuming and burdensome.

Wanda Hutchinson asked Mr. Snyder, who was present during the discussion, for clarification. Mr. Snyder indicated that he did not intend his letter to be a public information request or for the response to be burdensome. The Committees will continue to address Mr. Snyder's request for additional information.

Next, Sima Taghavi reviewed the Statement of Revenues and Expenses Budget vs. Actual as of March 31, 2017 and the Statements of Fiduciary Net Position and of Changes in Fiduciary Net Position (for periods ending March 31, 2017 and June 30, 2016) for the Employees Plan. Sima noted that investment income on a year-to-date basis is over 100% of budget with three months to go in the fiscal year. Benefits, investment expenses and administrative expenses are in line with budget.

Sima also reviewed the Statement of Revenues and Expenses Budget vs. Actual as of March 31, 2017 and the Statements of Fiduciary Net Position and of Changes in Fiduciary Net Position (for periods ending March 31, 2017 and June 30, 2016) for the Police and Fire Plan. She again noted that investment income is more than 100% of budget with three months to go. Benefit payments, investment fees and administrative expenses are in line with budget. As of March 31, 2017, assets in the Howard County Retirement Plan was \$393 million and assets in the Police and Fire Plan were \$495 million.

At 10:25 a.m., a motion was made by Richard Ruehl and seconded by Stan Milesky to close the meeting pursuant to General Provisions Article § 3-305(b) to discuss a personnel matter that affects one or more specific individuals, to consider the investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosure about a particular matter or proceeding. Wanda Hutchinson, Stan Milesky, Lonnie Robbins, Holly Sun, Vincent Baker, Mark Thomey and Richard Ruehl voted in favor of the motion. Jason Luckenbaugh was absent, there were no abstentions or negative votes.

At 10:30 a.m., a motion was made by Rafiu Ighile and seconded by Kim Drennon to close the meeting pursuant to General Provisions Article § 3-305(b) to discuss a personnel matter that affects one or more specific individuals to consider the investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosure about a particular matter or proceeding. Wanda Hutchinson, John Peterson, Rafiu Ighile, Holly Sun, Jeff Bronow, Dale Chase and

Kim Drennon all voted in favor of the motion, there were no negative votes, abstentions or absences.

During the closed session, Blackstone Alternative Asset Management and Magnitude Capital representatives discussed the investment philosophy and performance of funds that they manage and Scott then reviewed certain disability recertification adjustments.

When the Committee returned to open session, a motion was duly made, seconded and unanimously approved by the members of the Employees Plan to accept the recommended offsets to disability retirees Michael Katafiasz and Kevin Rich.

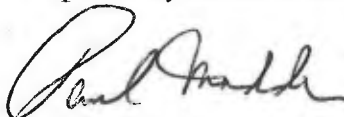
On motion duly made, seconded and unanimously approved by the members of the Police and Fire Plan, the Committee authorized the Retirement Coordinator to suspend the benefits of a disability retiree, Theresa Romeyn, if she does not comply with certification requirements by June 20, 2017.

The risk analysis presentation scheduled for this meeting will be postponed until the next meeting.

Next, Eric Ralph reviewed the Investment Performance for the Master Trust through periods ending March 31, 2017. He noted that the Plans have had median returns over the one, three and five year periods with less risk than peers.

Over the one year period, managers added value of 1.75%. Eric also noted that since inception, every manager except Westfield has added value. Summit Strategies has concerns about Pyramis. In addition, Wm Blair has had a management change; however, Summit Strategies does not believe this entails any significant risk because they have a deep team and two other portfolio managers.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Paul W. Madden", written in a cursive style.

Paul W. Madden
Secretary of the Meeting

2249542